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EXAMINER	
CHANDLER, SARA M	
ART UNIT	PAPER NUMBER
3693	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	09/992,596	MANFRE ET AL.	
	Examiner	Art Unit	
	SARA CHANDLER	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *01/18/08*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-9,14-16 and 18-24* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-9,14-16 and 18-24* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's arguments and request for continued examination of application 09/992,596 (11/14/01) filed on 01/18/08.

Claim Interpretation

1. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

> Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).
>
> Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111.

2. All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. See MPEP 2106 II C. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result (e.g., "*for* _____"), but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result (e.g., "*for* _____"), but does not result in a structural difference between the claimed invention and

the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim.

Claim limitations that contain statement(s) such as "*if, may, might, can could*", as optional language. As matter of linguistic precision, optional claim elements do not narrow claim limitations, since they can always be omitted.

Claim limitations that contain statement(s) such as "*wherein, whereby*", that fail to further define the steps or acts to be performed in method claims or the discrete physical structure required of system claims.

> USPTO personnel should begin claim analysis by identifying and evaluating each claim limitation. For processes, the claim limitations will define steps or acts to be performed. For products, the claim limitations will define discrete physical structures or materials. Product claims are claims that are directed to either machines, manufactures or compositions of matter. See MPEP § 2106 II C.
>
> The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:
>
> (A) statements of intended use or field of use,
> (B) "adapted to" or "adapted for" clauses,
> (C) "wherein" clauses, or
> (D) "whereby" clauses.
>
> See MPEP § 2106 II C.

3. Independent claims are examined together, since they are not patentable distinct. If applicant expressly states on the record that two or more independent

and distinct inventions are claimed in a single application, the Examiner may require the applicant to elect an invention to which the claims will be restricted.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 14,15,16,20 and 21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Re Claim 14: The claim preamble suggests that the claimed invention is directed to a system however, the body of the claim fails to recite the structural components required of a system. See discussion supra under claim interpretation. The claim uses language such as "instructions for ...." which would suggest the claim is directed to software. Software per se is not one of the statutory categories and is not patent eligible subject matter.

Dependent claims are rejected under the same rationale as the claims from which they depend.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 19,21,22 and 24: are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Re Claims 19, 21,22 and 24: The term "sufficient" in claims 19,21,22 and 24 renders the claims indefinite. The term is not defined by the claims and thus it is unclear which transactions are or are not subject to the claim limitations.

Dependent are further rejected based on the same rationale as the claims from which they depend.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-9, 14-16 and 18-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlson, US Pat. No. 5,053,607 in view of Nichols, US Pat. No. 5,053,607.

Analogous Art It has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied

upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, both Carlson and Nichols are in the same field of applicant's endeavor and relate to the processing of checks and other instruments (e.g., credit cards, bank cards etc.) used to pay for goods and/or services.

Re Claims 1-4, 14, 18-19, 20-21: Carlson discloses a method/system for processing a check transaction, the method comprising:

a. receiving transaction information that is transmitted by a terminal (Carlson, abstract, Figs. 1-7; col. 1, lin 1+ - col. 5, line 10; col. 6, line 38 – col. 9, line 46; col. 13, line 44+ - col. 16, line 18; col. 22, lines 34+ - col. 25, line 17)

The following term has been defined by the claims and has been given it's broadest reasonable interpretation: Terminal- any device through which data can be entered or displayed. See MPEP § 2111;

- Carlson discloses a terminal (e.g., point of sale) that is adapted to operate upon checks or other negotiable instruments (Carlson, pg 2, lines 24-34). The terminal includes components (e.g., MICR read head means, printer means, keypad means) used for the input/output and communication of information related to check processing (Carlson, abstract, Figs. 2,7, col. 2, line 53+ - col. 5, line 10).
- Carlson discloses how transaction information is received and stored at the terminal (Carlson, col. 7, line 59+ - col. 8, line 25). Carlson further describes how the transaction information is transmitted by the terminal for

receipt by an authorizing entity (Carlson, col. 9, lines 12-46, Carlson, col. 23, line 60+ - col. 24, line 2).

- Carlson describes how although the method of using checks has remained virtually unchanged, significant improvements have been made in the processing of checks. Many of the improvements, suggests Carlson, have come about because of the introduction of magnetic ink character recognition system (MICR) by the Federal Reserve which may be electronically read and when read can identify and designate the proper bank and account associated with the processing of the check or negotiable instrument (Carlson, col. 1, lines 52-67, col. 14, line 8+ - col. 15, line 21).
- Inherently, a check processing invention incorporating MICR technology utilizes unique identifiers for transactions. In other words, MICR technology provides unique identifiers including readable characters for the check number, bank routing number, checking account number and sometimes the amount of the check. In addition the characters are printed in fonts that can further aid the speed at which the unique identifiers (i.e., characters) may read and further increase the speed and efficiency of this process.

Carlson fails to explicitly disclose:

b. determining eligibility of the transaction for payment via a bank account;

c. providing an electronic authorization response that is transmitted to the terminal, the authorization response including a unique transaction identifier if the transaction is eligible for payment via the bank account; and

d. receiving an electronic response packet that is transmitted by the terminal if the transaction is eligible for payment via the bank account, the response packet including the unique transaction identifier and a transaction decision regarding whether or not the check transaction is to proceed with payment via the bank account.

Nichols discloses:

b. determining eligibility of the transaction for payment via a bank account (Nichols, abstract; Figs. 1-7; [0001] – [0084]);

- Nichols discloses a terminal (e.g., point of sale) that reads information from consumer checks, credit cards or manual inputs (Nichols, abstract, Fig. 1,2,3, [0017] [0028] [0054] [0055] [0063] [0064]). The terminal may be used to effect payment for goods and services paid from funds secured in the bank checking or depository account of the consumer (Nichols, [0018]). The terminal is designed to act in coordination with national authorization and settlement networks (i.e., ACH) (Nichols, [0018]).
- Nichols discloses that information is transmitted to a central computer system which verifies the consumer's credit worthiness and stores transaction information for bank reconciliation via ACH or other networks (Nichols, abstract). In Nichols, authorization requests are electronically communicated from the terminal to the central computer for authorization

and authorization entails verifying the status of the consumer's account and whether is can be relied upon for payment in the transaction (Nichols, [0023] [0050] [0056].

c. providing an electronic authorization response that is transmitted to the terminal, the authorization response including a unique transaction identifier if the transaction is eligible for payment via the bank account (Nichols, abstract; Figs. 1-7; [0001] – [0084])

- In Nichols, the central computer is in electronic communication with the terminal and responds to the terminal by approving or disapproving the authorization request. If the central computer does not approve the check, the terminal displays a message declining or rejecting the transaction and if the central computer approves the check, the terminal displays a message approving the transaction (Nichols, [0023][0065][0066] [0067]).
- Nichols discloses the use of different types of unique identifiers to aid in check processing. For example, Nichols suggests the entire MICR string can be used for accurate, error free identification of the bank and depository account; Nichols suggests unique identifiers can be used to recognize individual MICR accounts and transaction events; Nichols suggests unique identifiers can be used to indicate whether a MICR account is known or registered; and Nichols suggests unique identifiers can be used to distinguish individual transaction events that are approved (Note: Nichols suggests that the check number can be used to uniquely

identify the transaction event also). Nichols further notes there is benefit in with ACH and federal regulations (Nichols, [0077] [0078] [0079] [0088]).

d. and receiving an electronic response packet that is transmitted by the terminal if the transaction is eligible for payment via the bank account, the response packet including the unique transaction identifier and a transaction decision regarding whether or not the check transaction is to proceed with payment via the bank account (Nichols, abstract; Figs. 1-7; [0001] – [0084])

- Nichols discloses that there may be times when a terminal may need transmit a communication subsequent to the authorization response regarding the check being processed. Nichols contemplated that the terminal would provide an affirmation or denial of the transaction event (Nichols, [0035]). Nichols contemplated corrective adjustments needed to prior transaction events (Nichols, [0082] [0083]).
- As noted supra with respect to Carlson, Nichols also utilizes MICR technology in conjunction with check processing and it thus inherent that a unique identifier is included in the process steps. Furthermore, Nichols teaches that other unique identifiers in addition to the MICR characters and check numbers may used in conjunction with processing a check.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Carlson by adopting the teachings of Nichols to provide a method/system further comprising: determining eligibility of the transaction for payment via a bank account; providing an electronic authorization response that is transmitted to the terminal, the authorization

response including a unique transaction identifier if the transaction is eligible for payment via the bank account; and receiving an electronic response packet that is transmitted by the terminal if the transaction is eligible for payment via the bank account, the response packet including the unique transaction identifier and a transaction decision regarding whether or not the check transaction is to proceed with payment via the bank account.

One would have been motivated to maintain accurate and detailed records because not all transactions that are authorized or approved will culminate in the processed transaction.

Re Claims 5,15: Carlson in view of Nichols discloses the claimed invention supra and Nichols further discloses storing the authorization response in an authorization response file, storing the response packet in a response packet file, and comparing the response packet file with the authorization response file prior to settling the transaction (Nichols, abstract; Figs. 1-7; [0001] – [0084]).

- Nichols discloses the use of files and databases used to store information regarding subscribers (i.e., merchants, businesses, individuals etc.), consumers, transactions and their respective status. Nichols contemplated a need for checking potentially inaccurate, incomplete and/or fraudulent information regarding the transaction (Nichols, Fig. 3, [0023] [0033]-[0034] [0055] –[0059])

Re Claims 6,16: Carlson in view of Nichols discloses the claimed invention supra and Nichols further discloses providing an electronic confirmation of receipt

of the response packet that is transmitted to the terminal (Nichols, abstract; Figs. 1-7; [0001] – [0084]).

- As noted supra, Nichols discloses that there may be times when communication between the terminal and the central computer is necessary subsequent to the authorization response regarding the check being processed. Communication between the authorization host and the central computer occurs over the network (Nichols, [0033]). Communication regarding the approval or denial of the transaction event occurs between the terminal and central computer (Nichols, [0033]). Subsequently, the terminal and the central computer undergo a query and response sequence affirming or denying the transaction event (Nichols, [0035]).

Re Claims 7-9: Carlson in view of Nichols discloses the claimed invention supra and Nichols further discloses receiving a settlement request, and settling the transaction in response to the settlement request (Nichols, abstract; Figs. 1-7; [0001] – [0084]).

- Settlement is an inherent part of check processing. Nichols describes the settlement process and how the check processing system is intended to work with the national authorization networks and the electronic settlement network known as ACH (Nichols, [0018] [0019] [0024] [0031] [0035] [0036] [0054]).

Re Claim 22: Carlson discloses a method for processing a check transaction, the method comprising:

a. receiving transaction information that is transmitted by a terminal (Carlson, abstract, Figs. 1-7; col. 1, line 1+ - col. 5, line 10; col. 6, line 38 – col. 9, line 46; col. 13, line 44+ - col. 16, line 18; col. 22, lines 34+ - col. 25, line 17)

The following term has been defined by the claims and has been given it's broadest reasonable interpretation: Terminal- any device through which data can be entered or displayed. See MPEP § 2111;

- Carlson discloses a terminal (e.g., point of sale) that is adapted to operate upon checks or other negotiable instruments (Carlson, pg 2, lines 24-34). The terminal includes components (e.g., MICR read head means, printer means, keypad means) used for the input/output and communication of information related to check processing (Carlson, abstract, Figs. 2,7, col. 2, line 53+ - col. 5, line 10).
- Carlson discloses how transaction information is received and stored at the terminal (Carlson, col. 7, line 59+ - col. 8, line 25). Carlson further describes how the transaction information is transmitted by the terminal for receipt by an authorizing entity (Carlson, col. 9, lines 12-46, Carlson, col. 23, line 60+ - col. 24, line 2).
- Carlson describes how although the method of using checks has remained virtually unchanged, significant improvements have been made in the processing of checks. Many of the improvements, suggests Carlson, have come about because of the introduction of magnetic ink character recognition system (MICR) by the Federal Reserve which may be electronically read and when read can identify and designate the

proper bank and account associated with the processing of the check or negotiable instrument (Carlson, col. 1, lines 52-67, col. 14, line 8+ - col. 15, line 21).

- Inherently, a check processing invention incorporating MICR technology utilizes unique identifiers for transactions. In other words, MICR technology provides unique identifiers including readable characters for the check number, bank routing number, checking account number and sometimes the amount of the check. In addition the characters are printed in fonts that can further aid the speed at which the unique identifiers (i.e., characters) may read because the fonts themselves are made up of numbers or symbols to increase the speed and efficiency of this process.

Carlson fails to explicitly disclose:

b. determining eligibility of the transaction for payment via a bank account, wherein the step of determining eligibility includes determining if sufficient funds exist in the bank account;

c. providing an electronic authorization response that is transmitted to the terminal, the authorization response including a unique transaction identifier when the transaction is determined to be eligible for payment via the bank account;

d. receiving an electronic response packet that is transmitted by the terminal when the transaction is eligible for payment via the bank account, the response packet including the unique transaction identifier and a transaction decision

regarding whether or not the check transaction is to proceed with payment via the bank account;

e. receiving a settlement request;

f. and settling the transaction in response to the settlement request.

Nichols discloses:

b. determining eligibility of the transaction for payment via a bank account, wherein the step of determining eligibility includes determining if sufficient funds exist in the bank account (Nichols, abstract; Figs. 1-7; [0001] – [0084]);

- Nichols discloses a terminal (e.g., point of sale) that reads information from consumer checks, credit cards or manual inputs (Nichols, abstract, Fig. 1,2,3, [0017] [0028] [0054] [0055] [0063] [0064]). The terminal may be used to effect payment for goods and services paid from funds secured in the bank checking or depository account of the consumer (Nichols, [0018]). The terminal is designed to act in coordination with national authorization and settlement networks (i.e., ACH) (Nichols, [0018]).
- Nichols discloses that information is transmitted to a central computer system which verifies the consumer's credit worthiness and stores transaction information for bank reconciliation via ACH or other networks (Nichols, abstract). In Nichols, authorization requests are electronically communicated from the terminal to the central computer for authorization and authorization entails verifying the status of the consumer's account and whether is can be relied upon for payment in the transaction (Nichols, [0023] [0050] [0056].

c. providing an electronic authorization response that is transmitted to the terminal, the authorization response including a unique transaction identifier when the transaction is determined to be eligible for payment via the bank account (Nichols, abstract; Figs. 1-7; [0001] – [0084])

- In Nichols, the central computer is in electronic communication with the terminal and responds to the terminal by approving or disapproving the authorization request. If the central computer does not approve the check, the terminal displays a message declining or rejecting the transaction and if the central computer approves the check, the terminal displays a message approving the transaction (Nichols, [0023][0065][0066] [0067]).
- Nichols discloses the use of different types of unique identifiers to aid in check processing. For example, Nichols suggests the entire MICR string can be used for accurate, error free identification of the bank and depository account; Nichols suggests unique identifiers can be used to recognize individual MICR accounts and transaction events; Nichols suggests unique identifiers can be used to indicate whether a MICR account is known or registered; and Nichols suggests unique identifiers can be used to distinguish individual transaction events that are approved (Note: Nichols suggests that the check number can be used to uniquely identify the transaction event also). Nichols notes there is benefit in with ACH and federal regulations (Nichols, [0077] [0078] [0079] [0088]).

d. receiving an electronic response packet that is transmitted by the terminal when the transaction is eligible for payment via the bank account, the response

packet including the unique transaction identifier and a transaction decision regarding whether or not the check transaction is to proceed with payment via the bank account (Nichols, abstract; Figs. 1-7; [0001] – [0084])

- Nichols contemplated that there may be times when a terminal may need transmit a communication subsequent to the authorization response regarding the check being processed. One motivation contemplated by Nichols was to effect any corrective adjustments needed to prior transaction events (Nichols, [0082] [0083]).
- As noted supra, with respect to Carlson, Nichols utilizes MICR technology in conjunction with check processing and it thus inherent that a unique identifier is included in the process steps. Furthermore, Nichols teaches that other unique identifiers in addition to the MICR characters, check numbers may used in conjunction with processing a check.

e. receiving a settlement request (Nichols, abstract; Figs. 1-7; [0001] – [0084]);

- Settlement is an inherent part of check processing. Nichols describes the settlement process and how the check processing system is intended to work with the national authorization networks and the electronic settlement network known as ACH (Nichols, [0018] [0019] [0024] [0031] [0035] [0036] [0054]).

f. and settling the transaction in response to the settlement request (Nichols, abstract; Figs. 1-7; [0001] – [0084]).

- Settlement is an inherent part of check processing. Nichols describes the settlement process and how the check processing system is intended to

work with the national authorization networks and the electronic settlement network known as ACH (Nichols, [0018] [0019] [0024] [0031] [0035] [0036] [0054]).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Carlson by adopting the teachings of Nichols to provide: determining eligibility of the transaction for payment via a bank account, wherein the step of determining eligibility includes determining if sufficient funds exist in the bank account; providing an electronic authorization response that is transmitted to the terminal, the authorization response including a unique transaction identifier when the transaction is determined to be eligible for payment via the bank account; receiving an electronic response packet that is transmitted by the terminal when the transaction is eligible for payment via the bank account, the response packet including the unique transaction identifier and a transaction decision regarding whether or not the check transaction is to proceed with payment via the bank account; receiving a settlement request; and settling the transaction in response to the settlement request.

One would have been motivated to maintain accurate and detailed records because not all transactions that are authorized or approved will culminate in the processed transaction.

Re Claim 23: Independent claim 23 recites features or limitations similar to those recited in claim 1 above and is rejected under the same rationale.

Re Claim 24: Independent claim 24 recites features or limitations similar to those recited in claim 22 above and is rejected under the same rationale.

Re Claims 1-9, 14-16 and 18-24: Carlson teaches a base system/method. See discussion supra. Nichols teaches a comparable system/method which provides a technique that improves upon the base/system method of Carlson. See discussion supra. Claims 1-9, 14-16 and 18-24 apply a known technique to a known device (i.e., method/system) ready for improvement to yield predictable results. Thus, the claimed subject matter likely would have been obvious under KSR. *KSR*, 127 S.Ct. at 1741, 82 USPQ2d at 1396.

Response to Arguments

Applicant's arguments have been fully considered but they are not persuasive.

Claim Interpretation

The basis for the interpretation given the claimed invention including relevant cases and MPEP sections may be found supra.

112

The term "sufficient" renders the claims indefinite. The term is not defined by the claims and thus it is unclear which transactions are or are not subject to the claim limitations.

103

Applicant, argues Nichols fails to explicitly disclose, "receiving an electronic response packet that is transmitted by the terminal if the transaction is eligible for payment via the bank account, the response packet including the unique transaction identifier and a transaction decision regarding whether or not the check transaction is to proceed with payment via the bank account."

Nichols discloses that there may be times when a terminal may need transmit a communication subsequent to the authorization response regarding the check being processed. Nichols contemplated that the terminal would provide an affirmation or denial of the transaction event (Nichols, [0035]). Nichols contemplated corrective adjustments needed to prior transaction events (Nichols, [0082] [0083]).

As noted supra with respect to Carlson, Nichols also utilizes MICR technology in conjunction with check processing and it thus inherent that a unique identifier is included in the process steps. Furthermore, Nichols teaches that other unique identifiers in addition to the MICR characters and check numbers may used in conjunction with processing a check.

Also, it has been held that teaching, suggestion, motivation (TSM) is not the only rationale that may be relied upon in an obviousness analysis.

> Helpful insights, however, need not become rigid and mandatory formulas; and when it is so applied, the TSM test is incompatible with our precedents. The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of inventive pursuits and of modern technology counsels against limiting the analysis in this way. In many fields it may be that there is little discussion of obvious techniques or combinations, and it often may be the case that market demand, rather than scientific literature, will drive design trends. Granting patent protection to advances that would occur in the ordinary course without real innovation retards progress and may, in the case of patents combining previously known elements deprive prior inventions of their value or utility. *KSR v. Teleflex*, 127 S.Ct. 1727, 82 USPQ2d at 1396 (2007).

In this case, rationale(s) in addition to TSM apply. Carlson teaches a base system/method. Nichols teaches a comparable system/method which provides a

technique that improves upon the base/system method of Carlson. Claims 1-9, 14-16 and 18-24 apply a known technique to a known device (i.e., method/system) ready for improvement to yield predictable results. Thus, the claimed subject matter likely would have been obvious under KSR. *KSR*, 127 S.Ct. at 1741, 82 USPQ2d at 1396. See MPEP §2141, III. Rationales to support rejections under 35 U.S.C. 103.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SARA CHANDLER whose telephone number is (571)272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/JAGDISH N PATEL/
Primary Examiner, Art Unit 3693

SMC